



# **Fairfax County, Virginia**

## **FY 2005 Advertised Budget Plan**

### **Citizen's Guide to the Budget**

## Highlights From the County Executive's Message

In presenting his FY 2005 Advertised Budget Plan to the Board of Supervisors on February 23, 2004, County Executive Anthony H. Griffin noted that it represents a balanced budget that is in conformance with the Board's Budget Guidelines, which limit County and School increases to the projected growth in revenues. He further stated that "FY 2005 presents both a challenge and an opportunity to look at the County's budget and services beyond just the next year, but from a broader, multi-year perspective." For the past three years, Fairfax County has faced the dilemma of a revenue base where growth has come entirely from residential real estate taxes. Balancing the need for taxpayer relief against Schools' and County requirements has required considerable efforts to streamline and reduce program costs. Collectively, these actions add up to a point where "trimming around the edges" is no longer effective. The FY 2005 proposed budget will serve as a catalyst to assist both County and School staff in strategic planning, as well as in resource identification and establishment of service priorities, both for FY 2005 and the future.

### **Reductions Since FY 2002**

As part of the strategy to afford taxpayers some relief, the real estate tax rate has been reduced by seven cents since FY 2002, from \$1.23 to \$1.16 per \$100 of assessed value. This saves County taxpayers an average of \$225 annually. In order to achieve this reduction within the constraints of the County's revenue picture, it was necessary to cut \$101 million cumulatively from County programs over the past three fiscal years. This action afforded taxpayers some relief and provided additional support to Fairfax County Public Schools (FCPS), particularly in the face of funding shortfalls at the state level. Widespread reductions were made in all program areas, with the exception of education and public safety – the deepest cuts affecting central agencies and administrative/managerial functions.

#### **DID YOU KNOW?**

**Nearly 60% of the increase in the County's budget over the last four years has been allocated to public education operations.**

### **FY 2005 Disbursements**

FY 2005 Disbursements total \$2.73 billion, an increase of \$117.10 million or 4.47 percent over the FY 2004 Revised Budget Plan amount of \$2.62 billion. Three-quarters of this increase is attributable to the County's transfer to the School Operating Fund and School Debt Service. The recommended transfer to the School

Operating Fund is \$1.32 billion, which is an increase of \$81.52 million or 6.57 percent over FY 2004 and conforms with the Budget Guidelines approved by the Board of Supervisors. In addition, the County's contribution to School Debt Service for FY 2005 is \$126.5 million, reflecting an increase of \$5.6 million or 4.66 percent over the FY 2004 level. Spending on the County side is greatly constrained. General Fund spending increases have been minimized, limiting direct expenditures to an increase of just 2.5 percent over FY 2004 to accommodate baseline salary adjustments and requirements associated with new facilities planned to come online in FY 2005.

The FY 2005 proposed budget represents a modest fiscal plan. It funds only the "basics of government" - the level of service the County currently provides, including the cost of doing business, mandates, contractual obligations and other existing commitments.

As the County Executive noted, "The FY 2005 budget does not fund new programs or initiatives, worthy as some may be. It cannot support, without significant adjustment, additional real estate tax relief, more funding for Schools or other priorities identified by the Board, community and/or County agencies."

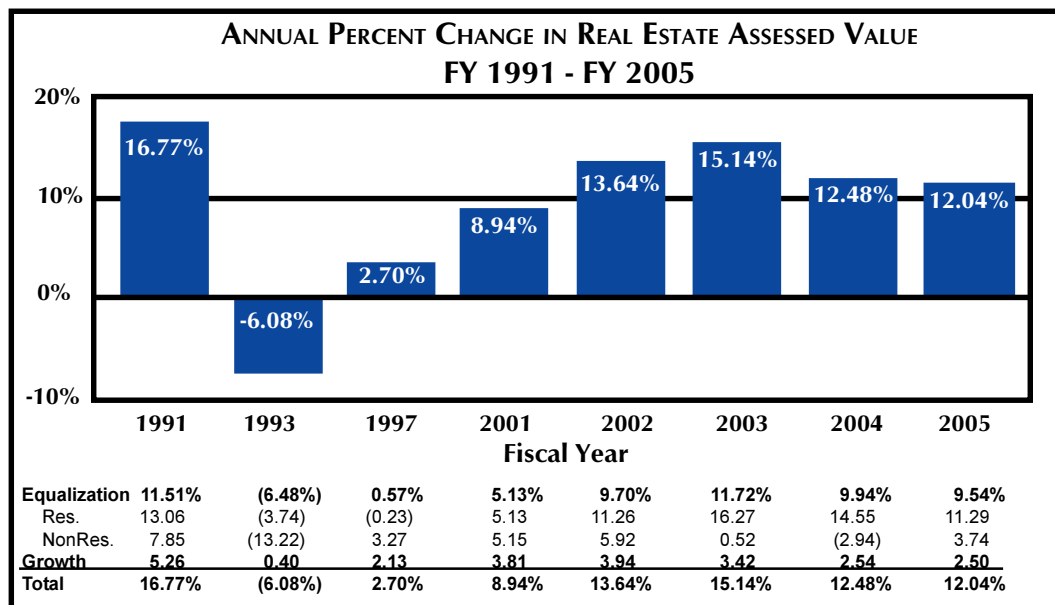
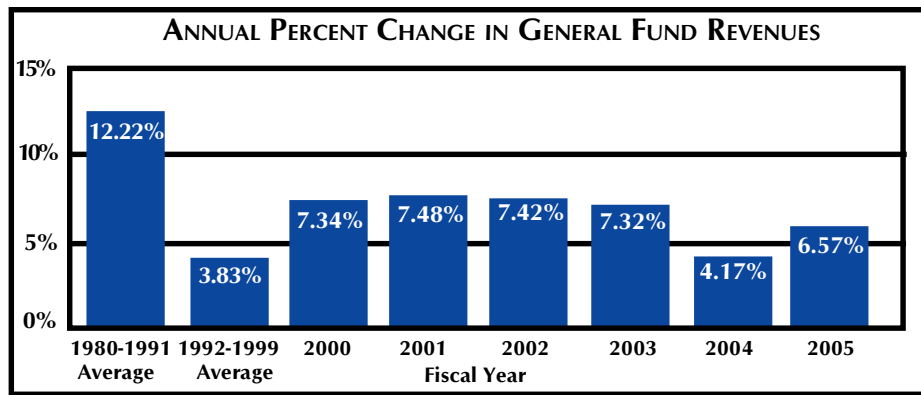
***"We enjoy a high quality of life with attractive neighborhoods, excellent schools and safe streets, wide-ranging recreational and cultural opportunities, outstanding opportunities for jobs and business growth, and a government that is responsive to residents' needs. However, this quality of life and the services that support it have a cost. Our challenge over the coming years is to weigh these costs against County resources, to balance these services against the ability of our residents to fund them, and to gauge how we can address these needs in the future."***

County Executive  
Anthony H. Griffin  
February 23, 2004

## Highlights From the County Executive's Message

### FY 2005 Revenues

The FY 2005 budget relies on projected revenue growth of \$168.9 million or 6.57 percent. The entire increase in revenue is from rising real estate assessments. All other revenue categories actually decrease approximately \$1.0 million in FY 2005. The FY 2005 Real Estate estimate is based on a 12.04 percent increase in the FY 2005 valuation of real property, and is derived primarily from increases in the value of residential property. In FY 2005, the increase in residential equalization – the reassessment of existing property – is 11.29 percent, reflecting the strength of the housing market in the County and throughout the Northern Virginia area. As a result of sustained increases in both sales volume and sales price, the majority of residential properties in the County will receive valuation increases. In FY 2005, revenue from real estate taxes will make up 60.5 percent of the total revenue base, up from approximately 50 percent in FY 2000.



### Future Steps

The County Executive states, "I anticipate considerable dialogue with the Board and the public regarding actions to take in order to ensure a budget that addresses our priorities, while not unduly burdening taxpayers. In conjunction with the baseline budget I am proposing, I am also providing a list of options for potential budget reductions should the Board wish to take action to reduce the tax rate further or undertake other budget initiatives. Many of these options will have short-term savings but longer term consequences as we make changes to our core services. I believe this conversation is difficult but necessary. These choices will include further reductions to vital services, the impact of which will directly affect County residents." In addition to this discussion, County staff will also be reviewing FY 2005 revenue estimates. The additional review will provide an opportunity to evaluate more recent collections data, which will be available in the Spring of 2004, as well as a revised economic forecast to assess the possibility of additional revenue in FY 2005. If the economic recovery and its impact on various key County revenue categories is stronger than projected, this additional revenue may help mitigate the extent of cuts required.

# Summary of FY 2005 Advertised Budget

## SUMMARY GENERAL FUND STATEMENT (in millions)

	<b>FY 2004 Revised Budget Plan</b>	<b>FY 2005 Advertised Budget Plan</b>	<b>Increase (Decrease) Over Revised</b>	<b>Percent Inc/(Dec) Over Revised</b>
<b>Beginning Balance <sup>1</sup></b>	<b>\$118.89</b>	<b>\$52.35</b>	<b>(\$66.55)</b>	<b>-55.97%</b>
<b>Revenue <sup>2</sup></b>	<b>\$2,571.77</b>	<b>\$2,740.65</b>	<b>\$168.88</b>	<b>6.57%</b>
<b>Transfers In</b>	<b>\$1.40</b>	<b>\$1.67</b>	<b>\$0.27</b>	<b>19.36%</b>
<b>Total Available</b>	<b>\$2,692.06</b>	<b>\$2,794.66</b>	<b>\$102.60</b>	<b>3.81%</b>
<b>Direct Expenditures</b>	<b>\$979.67</b>	<b>\$1,004.21</b>	<b>\$24.54</b>	<b>2.50%</b>
<b>Transfers Out</b>				
School Transfer <sup>3</sup>	\$1,240.85	\$1,322.37	\$81.52	6.57%
School Debt Service	120.90	126.53	5.63	4.66%
<b>Subtotal Schools</b>	<b>\$1,361.75</b>	<b>\$1,448.90</b>	<b>\$87.16</b>	<b>6.40%</b>
Metro	\$12.27	\$18.14	\$5.87	47.85%
Community Services Board	80.60	82.89	2.29	2.85%
Capital Paydown	18.86	10.49	(8.37)	-44.40%
Information Technology	9.45	11.63	2.18	23.10%
County Debt Service	98.45	100.02	1.57	1.59%
Other Transfers	56.29	58.16	1.87	3.32%
<b>Subtotal County</b>	<b>\$275.92</b>	<b>\$281.33</b>	<b>\$5.41</b>	<b>1.96%</b>
<b>Total Transfers Out</b>	<b>\$1,637.67</b>	<b>\$1,730.24</b>	<b>\$92.57</b>	<b>5.65%</b>
<b>Total Disbursements</b>	<b>\$2,617.34</b>	<b>\$2,734.45</b>	<b>\$117.09</b>	<b>4.47%</b>
<b>Ending Balance</b>	<b>\$74.72</b>	<b>\$60.22</b>	<b>(\$14.50)</b>	<b>-19.41%</b>
Less:				
Managed Reserve	\$52.35	\$54.69	\$2.34	4.47%
PSOC/EOC Construction Funding at FY 2004 Third Quarter <sup>4</sup>	\$18.65		(\$18.65)	-
FY 2004 Third Quarter Requirements Related to Hurricane Isabel, Premium Stabilization, Other <sup>5</sup>	\$3.72		(\$3.72)	-
Reserve for Changing Economic Conditions <sup>6</sup>		\$5.53	\$5.53	-
<b>Total Available</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	

<sup>1</sup> The FY 2004 Revised Beginning Balance reflects audit adjustments for revenue and expenditures as included in the FY 2003 Comprehensive Annual Financial Report (CAFR). As a result, the FY 2004 Revised beginning balance reflects a net reduction in available balance of \$86,350, based on an increase of \$1,002,084 for expenditure requirements, offset by an increase in revenues of \$915,734.

<sup>2</sup> FY 2004 Revised Budget Plan revenues reflect an increase of \$12,457,681 based on revised revenue estimates of November 2003. The FY 2004 Third Quarter Review will contain a detailed explanation of these changes.

<sup>3</sup> In accordance with the Board's adopted guidelines for the FY 2005 Budget, the proposed County General Fund transfer for school operations in FY 2005 totals \$1,322,374,187, an increase of \$81,523,866 or 6.57% over the FY 2004 Revised Budget Plan transfer. It should be noted that the actual transfer request approved by the School Board on February 12, 2004 is \$1,361,212,802, an increase of \$120,362,481 or 9.7% over the FY 2004 transfer level. In order to fully fund this \$38,838,615 increase over the Budget Guidelines, additional resources would need to be considered by the Board of Supervisors.

<sup>4</sup> The FY 2004 Revised Budget Plan ending balance reflects reserve funding of \$18.65 million which includes the \$10 million set aside reserve identified at Carryover and \$8.7 million in additional funding based on the FY 2004 revised revenue estimates. This amount is held in reserve for anticipated FY 2004 Third Quarter Review disbursement requirements related to the construction of the Public Safety Operations/Emergency Operations Center (PSOC/EOC). Further details will be included as part of the FY 2004 Third Quarter Review package.

<sup>5</sup> The FY 2004 Revised Budget Plan ending balance reflects available funding of \$3.72 million based on the available FY 2004 revised revenue estimate balance after PSOC/EOC requirements. This amount is held in reserve for anticipated FY 2004 Third Quarter Review disbursement requirements, including those related to Hurricane Isabel, anticipated premium stabilization requirements and other requirements. Further details will be included as part of the FY 2004 Third Quarter Review package.

<sup>6</sup> The FY 2005 Advertised Budget Plan ending balance reflects available funding of \$5.53 million held in reserve to offset economic fluctuations and revenue adjustments.



# FY 2005 Budget Highlights

## COUNTY SUPPORT FOR FAIRFAX COUNTY PUBLIC SCHOOLS

For FY 2005, Fairfax County is providing 53 percent of its total General Fund budget to Fairfax County Public Schools (FCPS). This share is consistent with the FY 2004 Adopted Budget Plan which represents the highest level in over 20 years. The County provides funding through two transfers – one to support FCPS operations and another to support debt service for bond-funded projects to build new schools and renew older facilities.

### SCHOOL TRANSFERS

**School Operating: \$1,322.37 million**  
**School Debt Service: \$126.53 million**

- In conformance with the Budget Guidelines, a transfer of \$1,322,374,187 to the School Operating Fund is included, which represents an increase of \$81,523,866 or 6.57 percent.
- On February 12, 2004, the School Board approved a transfer request of \$1,361,212,802, which reflects an increase of \$120,362,481 or 9.7 percent over the FY 2004 transfer amount. This request is \$38,838,615 greater than the Budget Guidelines.
- The FY 2005 transfer for School Debt Service is \$126,528,053, an increase of \$5,631,320 or 4.66 percent over the *FY 2004 Revised Budget Plan*. The FY 2005 debt service level is based on funding of \$130 million for new school construction as well as renewals.
- The combined transfer for School operating and School debt service is \$1.45 billion, which represents 53.0 percent of total County disbursements.

### Other County Support for FCPS

**\$49.0 million**

In addition to the \$1.45 billion in the County transfers to FCPS for operations and debt service, Fairfax County provides additional support totaling \$49 million for the following programs:

- \$26.8 million for the Comprehensive Services Act (CSA), Head Start, and School Age Child Care (SACC) programs within the Department of Family Services;
- \$10.3 million to support School Health including Public School Nurses and Clinic Room Aides;
- \$6.9 million for School Crossing Guards; Resource Officers who are now assigned to all FCPS high schools, middle schools and alternative schools; and security for activities such as proms and football games;
- \$3.4 million for athletic field maintenance and other recreation programs;
- \$1.5 million in services provided by the Fairfax-Falls Church Community Services Board; and
- \$0.1 million for fire safety education programs for students.

#### ***DID YOU KNOW?***

**55.9% of those 25 and older in Fairfax County have a Bachelor's Degree or more education.**

**(U.S. Census Bureau, American Community Survey)**

# FY 2005 Budget Highlights

## SUPPORT FOR PUBLIC SAFETY

### Fairfax Center Fire Station

**\$1.70 million**

To address increasing public safety needs associated with a growing population, additional funding in the amount of \$1,703,310 and 23/23.0 SYE positions are included for the new Fairfax Center Fire Station scheduled to open in Spring 2005. This station will provide additional capacity to help reduce response time to the central part of the County. A phasing-in of staff resources began in FY 2004 with 15/15.0 SYE positions used primarily to staff a ladder truck at Station 27, West Springfield, enabling the Fire and Rescue Department to address the need for this type of unit in this area of the County in advance of the availability of the new station. Apparatus funding was also included as part of the FY 2004 budget to initiate procurement of necessary vehicles and equipment for the station based on the long lead-time for delivery.

The additional positions in FY 2005 as well as those funded during FY 2004 will bring the full complement of staff for Fairfax Center to 34/34.0 SYE uniformed and 3/3.0 SYE civilian support positions. The number of uniformed staff is consistent with other fire stations with a tower truck, engine and advanced life support (ALS) unit. In addition, a new Deputy Chief for Special Operations (1/1.0 SYE) will provide support and oversight of response to hazardous materials incidents, water rescues, major vehicle accidents, cave-ins, weather emergencies and terrorism threats. These duties are currently handled by the EMS Deputy Chief; however, with the increase of EMS incidents and the added supervisory responsibility resulting from new stations coming on-line, the EMS Deputy position must be focused full-time on the management and leadership of Emergency Medical Services. FY 2005 funding associated with these requirements includes \$1.38 million in Personnel Services and Fringe Benefits, as well as \$0.32 million in Operating Expenses and Capital Equipment associated with start-up equipment and supplies for the new station.

### Public Safety Communications Center Operation (General Fund Transfer Increase)

**\$4.30 million**

A crucial link in Fairfax County's public safety system is the Public Safety Communications Center (PSCC), which provides call-taking and dispatch for police, fire, rescue and animal control units. This operation is funded through a combination of E-911 fees, state reimbursement from the statewide wireless E-911 fee, interest income and a transfer from the General Fund. In FY 2005, the General Fund transfer to Fund 120, E-911 Fund, is \$9.8 million, an increase of \$4.3 million over the FY 2004 transfer level. Of this increase, \$3.0 million is associated with increased operational requirements including staff and compensation adjustments which are necessary to provide improved call-taking and dispatch performance. The remaining increase is attributable to declining revenues from E-911 fees.

More than 1.17 million calls are received by the PSCC annually. During FY 2003, call statistics indicate that while the average speed to answer an emergency call is 6 seconds, the PSCC is only able to answer 75 percent of calls within 12 seconds and the remaining 25 percent of calls are subject to much longer wait times. Staff has been working to identify staffing, organizational and compensation options to address this issue. FY 2005 represents the first year of a multi-year plan to increase positions to meet current emergency and non-emergency call volumes. Fourteen (14/14.0 SYE) new Public Safety Communicator positions will add capacity to promptly answer calls that are currently left unanswered or are being answered after an unreasonable wait. In addition, 2/2.0 SYE additional Administrative Assistant I positions will provide staffing to answer approximately 55,000 calls received regarding towed vehicles as required by the Commonwealth.

***Fairfax County was recognized as the first StormReady county in the Commonwealth of Virginia. To be certified as StormReady, communities must have a 24-hour warning point and an emergency operations center; have more than one way to receive severe weather forecasts and warnings and to alert the public, create a system to monitor local weather conditions, promote the importance of public readiness through community outreach, and develop a formal hazardous weather plan that includes emergency services.***

## FY 2005 Budget Highlights

Currently, Public Safety Communicators answer these routine calls. By shifting this responsibility to the Administrative Assistants I, existing Public Safety Communicators will be allowed to focus more on emergency and non-emergency call-taking and dispatching. The FY 2005 cost associated with these positions is \$635,189 in Personnel Services, Fringe Benefits and Operating Expenses. In concert with the additional positions, funding of \$1.0 million has been identified to address compensation adjustments that are necessary to resolve recruitment and retention issues at the PSCC. Given the volume of calls, the overtime required to manage this volume and the complexity of the call-taking/dispatch function, the PSCC has not been able to retain qualified staff. In the last four years, 113 Public Safety Communicators (of 107 positions) have been separated for various reasons including failed training, transfers within Fairfax County Police and Fire and Rescue Departments, other employment, or relocation from the area. During the first quarter of CY 2004, organizational and compensation issues around the management and staffing of the PSCC will be studied, with a report and recommendations anticipated in late spring. This funding represents a placeholder for adjustments associated with the report recommendations. A detailed proposal with cost estimates will be provided to the Board of Supervisors prior to deliberations on the FY 2005 Advertised Budget Plan.

### Uniformed Fire and Rescue Salary Adjustments

**\$1.77 million**

FY 2005 funding of \$1,768,703 is included for a regrade of the Fire Technician, Master Technician and Lieutenant classes in the Fire and Rescue Department to provide for market competitiveness of these positions. Each year, the Department of Human Resources conducts a market pay study to compare specific core and supplemental position classes to the local and regional employment market. In addition, the range of public safety position classes is reviewed. This proposed increase is based on a review of these public safety classes in comparison to those in surrounding jurisdictions. Only three public safety position classes had hourly rate midpoints 5 percent or more below the market average, which is the threshold used in making pay recommendations. The \$1.77 million cost of this adjustment includes adjustments to Personnel Services and Fringe Benefits, and will impact more than 700 positions.

### Funding for West Nile Mosquito Management Program

**No increase**

West Nile virus, transmitted from infected mosquitoes to humans continues as a public health concern. A coordinated, multi-agency mosquito management program is now in place. It includes the treatment of ponds and standing water to prevent proliferation of the mosquito population in order to reduce the public health impact of the virus. The program also focuses on education, public awareness and community involvement to proactively address the problem. During the 2003 General Assembly session, Fairfax County was granted the authority to fund a Disease-Carrying Insects Program from Fund 116, Integrated Pest Management Program. Funding for this program is derived from a tax of \$0.001 per \$100 assessed value. In FY 2005, a major portion of funding for the West Nile program is provided through Fund 116, with \$0.5 million in existing funding transferred from the Health Department to Fund 116 to supplement the \$1.0 million previously budgeted in that fund, requiring no new funding.

## NEW FACILITIES

### James Lee Community Center Expansion

**\$0.49 million**

The James Lee Center has been undergoing an expansion and is scheduled to re-open in April 2004. It will be expanded from approximately 34,400 square feet to approximately 57,400 square feet and will offer an increase in social and recreational program opportunities for school-age children as well as adults and senior citizens. This will accommodate an increase in participants from 80,000 to 89,000 in the community, teen and senior programs. Expanded areas for the public include a recreational complex with two gymnasiums (open 11 hours daily), full-service teen programs (after school and Saturday evenings), as well as after-school and summer day programs for children. Also included are senior programs, daily craft classes, a fitness center (open nine hours daily), improved athletic fields, a full-size community theater, and computer clubhouse. FASTRAN will provide transportation for 30 additional seniors participating in the Congregate Meals Program. FY 2005 funding includes an increase of \$396,302 in Personnel Services, \$75,606 in Fringe Benefits, and \$64,038 in Operating Expenses associated with full-year salary requirements for 6 positions created in FY 2004 to support the expansion of the James Lee Community Center, as well as FASTRAN service to and from the site. These costs are partially offset by revenue of \$47,300 for a net cost of \$488,646.

# FY 2005 Budget Highlights

## School Age Child Care (SACC) Centers

**\$0.38 million**

To accommodate the ever-growing demand for quality child care, additional funding of \$378,776 is included to open two new School-Age Child Care (SACC) Centers at Navy Elementary and Sunrise Valley Elementary based on new space availability. Funding includes \$239,098 for Personnel Services and Fringe Benefits to support an additional 6/4.86 SYE positions as well as \$139,678 in Operating Expenses associated with operational requirements. Although two rooms are available at each of these sites for SACC, only one room is funded at each school due to budget constraints, consistent with the approach for FY 2004. These two new centers will serve an additional 70 children, including 60 regular slots and 10 special needs slots. With anticipated revenue of \$284,082, the net cost to the County is \$94,694.

## Herndon Harbor House Senior Center

**\$0.19 million**

This Senior Center Program, located in the Herndon Harbor House is scheduled to open in January 2005. It will provide County residents aged 55 and older opportunities for recreation participation, skill development, leisure enrichment, a variety of structured leisure activities, community services, and outreach programs. FY 2005 funding of \$192,223 includes \$116,823 in Personnel Services and Fringe Benefits, as well as \$75,400 in Operating Expenses to support six months of start-up costs for 1/1.0 SYE Recreation Specialist III, 2/2.0 SYE Recreation Assistants, 1/1.0 SYE Saturday Program Director, and 1/1.0 SYE Recreation Leader I, as well as six months of program operations and one-time expenditures. It is estimated that approximately 500 seniors will be registered to use the center when it opens next January.

## Cub Run RECenter

**No General Fund Impact**

To enhance recreational opportunities in the western part of the County, the Cub Run RECenter, scheduled to open in July 2004, will be over 65,000 square feet and will include a 25-meter by 25-yard competitive swimming pool, a leisure pool, whirlpool/spa, weight training and fitness areas, multi-purpose rooms, and administrative and support service areas. It is important to note that this facility is budgeted for and operated out of Fund 170, Park Revenue Fund, and not the General Fund. Total funding of \$1,429,159 includes \$977,981 in Personnel Services and Fringe Benefits and \$451,178 in Operating Expenses associated with full-year salary requirements for 15/15.0 SYE positions to support the opening of the Cub Run RECenter. These increases are projected to be offset by revenue from RECenter users. Positions will be phased in over FY 2004 and FY 2005 to ensure that the RECenter is fully operational once construction is complete. The new facility will house a 10,000-square-foot fitness center that will include a full array of Fitlinxx exercise equipment. Fitlinxx is a line of products that records participants' fitness information and tracks individual progress. Based on the popularity of the Fitlinxx equipment at existing RECenters, it is anticipated that Fitlinxx users at Cub Run alone will exceed 1,500. As a result, the Cub Run fitness center will require a minimum of two fitness staff (1/1.0 SYE approved in FY 2004 and 1/1.0 SYE included in FY 2005) to serve customers effectively and safely.

***Fairfax County has more residents than seven states – Alaska, Delaware, Montana, North Dakota, South Dakota, Vermont and Wyoming.***

## Laurel Hill Golf Course

**No General Fund Impact**

The Laurel Hill Golf Course, scheduled to open in May 2005, will provide golf opportunities in the southern portion of the County. Like the Cub Run RECenter, this facility is budgeted for and operated out of Fund 170, Park Revenue Fund, and not the General Fund. Positions will be phased in over FY 2004 and FY 2005 to ensure that the course is fully operational once construction is complete. In FY 2005, the additional positions, including 1/1.0 SYE Park Specialist II, 2/2.0 SYE Assistant Park Specialists, 2/2.0 SYE Laborers II, 1/1.0 SYE Laborer I and 1/1.0 SYE Motor Equipment Operator, will prepare the course and clubhouse for opening, develop plans for operations, and prepare and implement a marketing/promotions plan. In addition, these positions will hire and train seasonal staff, as well as procure necessary operating equipment and supplies. It should be noted that 7/7.0 SYE positions are anticipated to be established during FY 2004 to oversee the grow-in of the golf course turf, as well as day-to-day operations required until the facility is open to the public. Total FY 2005 funding of \$452,621 includes an increase of \$228,121 in Personnel Services and Fringe Benefits and \$224,500 in Operating Expenses associated with salary requirements for 7/7.0 SYE additional positions to support the opening of the Laurel Hill Golf Course. These increases are offset by anticipated revenues of \$287,583.



# FY 2005 Budget Highlights

## SUPPORT FOR THE COMMUNITY

### Consolidated Community Funding Process

**\$9.01 million**

FY 2005 will be the first year of a new two-year funding cycle for the process of setting priorities and awarding funds from both the Consolidated Community Funding Pool and the Community Development Block Grant. In FY 2005, \$9.01 million will be available for the Consolidated Community Funding process, of which approximately \$6.78 million will be in Fund 118, Consolidated Community Funding Pool, and \$2.23 million will be in Fund 142, Community Development Block Grant. This funding is approximately \$0.31 million more than the FY 2004 level of approximately \$8.7 million in order to provide a five percent inflationary increase for community-based agencies. The FY 2005 funding is provided to leverage additional funds through strategies such as cash-match from other non-County sources, in-kind services from volunteers, or contributions from businesses, the faith community and other sources.

### Special Education Graduates

**\$0.05 million**

As directed by the Board of Supervisors, a group consisting of the Human Services Council, the County Executive and the Fairfax-Falls Church Community Services Board (CSB) has completed a review of day support for the County Special Education Graduates program. The study includes a review of the services and service levels provided; number of persons currently receiving services; number of students projected to require services; facility and transportation requirements; parental and individual participation in offsetting service costs; and benchmarking information on services provided by other jurisdictions. In addition, as part of the FY 2005 Budget Guidelines approved by the Board of Supervisors on April 28, 2003, staff was directed to explore options to enhance the sliding scale fee to reduce the County's share of the costs of supporting the graduates of special education programs. As a result of the study, two significant policy changes are recommended. First, since individuals are able to be served in the Fairfax County Public Schools Special Education Program until they are 22-years-old, only those who are 22 years and older were considered for local funding. This reduced the number of new graduates eligible and prioritized for local funding in FY 2005 by 15, from 63 to 48. Secondly, the CSB prioritized graduates based on their degree of need. Of the remaining 48 graduates for example, 17 were identified as having the most profound level of mental retardation and medical and/or physical challenges, and are recommended for local funding. The total cost for serving these 17 graduates in FY 2005 is projected to be \$499,800. Revenue of \$445,457 may be available if the state assigns new Medicaid Waiver slots and funding to the CSB. As a result, County funding of \$54,343 has been included in the [FY 2005 Advertised Budget Plan](#). Should the anticipated Waiver slots not be awarded, additional County funding will be necessary to support the FY 2005 graduates.

Other changes being implemented include the acceleration of timelines for transitioning students from secondary school to adult day support service, which will enable CSB to present more timely and accurate cost estimates. The CSB is also considering changes to its fee policy to include fee assessment for day services, and continues to maximize non-County funding for school graduates, such as Medicaid funding, Department of Rehabilitative Services funding, and federal work incentives and entitlements.

Due to significant efforts to maximize non-County revenues, and lower than projected expenditures, the CSB's ending fund balance is projected to be \$3,431,965 in FY 2004. A portion of this fund balance has been utilized to offset expenditures in FY 2005.

### Congregate Meal Program/FASTRAN

**\$0.13 million**

To support the growing senior population, an increase of \$128,076 in Operating Expenses provides FASTRAN services for 50 additional seniors participating in the Congregate Meals Program at the new James Lee and Lorton Senior Centers. This expenditure increase represents full-year funding and is partially offset by an increase of \$6,500 in program donations.

# FY 2005 Budget Highlights

## Teen Center Redesign Initiative

**\$0.14 million**

In FY 2004, the Board of Supervisors approved the redesign of teen center operations to support a regional model. The redesign will move from nine centers (one center in each magisterial district) to a regional model comprised of five regional centers, ten neighborhood centers and ten community-based programs to provide greater flexibility in meeting the needs of teens and the community, eliminate barriers between magisterial districts, and reduce staff vacancies. FY 2005 funding provides for the creation of the fifth and final region, to be located within a leased facility in the Springfield area. To accommodate its scheduled opening in July 2004, FY 2005 funding of \$139,788 includes \$96,974 in Personnel Services and Fringe Benefits, as well as \$42,814 in Operating Expenses for 1/1.0 SYE Recreation Specialist III, 2/2.0 SYE Recreation Specialists I, and limited term staff. This funding supports the second year of a three-year phased approach to the teen center redesign throughout the County.

## SUPPORT FOR TRANSPORTATION

### Metro Operations (General Fund Transfer)

**\$18.14 million**

The total FY 2005 Fairfax County obligation for Metrorail and Metrobus requirements totals \$53.8 million for operating expenditures, of which \$18.1 million in a General Fund transfer is required, reflecting an increase of \$5.9 million or 47.9 percent over the FY 2004 transfer amount of \$12.3 million. The increase in the General Fund support is primarily due to the use of one-time balances in FY 2004. The \$53.8 million supports existing Metrorail and Metrobus service and includes a 4.5 percent inflation factor applied to the Washington Metropolitan Area Transit Authority (WMATA) FY 2004 budget, as well as addresses increased subsidy requirements associated with the 50 percent phase-in of the 2000 Census population data into the allocation formulas, increased costs for MetroAccess due to increased utilization of Americans with Disabilities (ADA) paratransit services, continuation of the Springfield Circulator Bus Service started in FY 2001, and other enhancements initiated by WMATA in FY 2004. The County's portion of the total WMATA budget is determined by several formulas that include factors such as the residence of passengers, number of stations located in a jurisdiction and the level of service in a jurisdiction, as well as the population and population density. Applied State Aid, Gas Tax Receipts and State Transportation Bond Revenues help offset the County's share of WMATA's operating and capital costs. An amount of \$29.3 million is required for capital requirements, of which \$19.8 million is supported by Fairfax County General Obligation Bonds. FY 2005 capital expenditures include \$13.7 million for the Infrastructure Renewal Program (IRP), a program which includes the rehabilitation of the railcar fleet, upgrades to Metrorail system components such as fare gates and farecard machines, improvements to Metrobus and Metrorail facilities, and funding for all capital equipment. It is anticipated that this amount will continue to increase in future years. The System Access Program (SAP) requires \$12.0 million, primarily to fund Fairfax County's share of the purchase cost of new railcars and buses. An additional \$0.4 million is included to support preliminary engineering requirements associated with the System Expansion Program (SEP) and \$3.2 million is included to fund Adopted Regional System (ARS) debt service requirements. Since the WMATA budget will not be final until June 2004, any necessary adjustments to the FY 2005 funding level will be made at the FY 2004 Carryover Review.

#### ***DID YOU KNOW?***

**More than 9 million  
Metrobus trips and  
over 27 million  
Metrorail trips  
originated in Fairfax  
County in FY 2003.**

### County Transit (General Fund Transfer)

**\$21.21 million**

In FY 2005, the County's General Fund Transfer to County Transit Systems is \$21.21 million, an increase of \$1.6 million or 8.0 percent over the FY 2004 funding level of \$19.6 million. This increase includes contractual requirements for the FAIRFAX CONNECTOR and Virginia Railway Express. In addition, fuel funding requirements are increasing due primarily to increased costs associated with FAIRFAX CONNECTOR's continuing transition to Ultra-Low Sulfur Diesel fuel begun in FY 2002.

# FY 2005 Budget Highlights

In FY 2005, the Fairfax County Department of Transportation (FCDOT) plans to enhance FAIRFAX CONNECTOR service in both the Huntington and Reston-Herndon Divisions by implementing a service redesign. In the Huntington Division, this redesign would provide an additional 40,000 hours of service; increase service to growth areas of South County including Kingstowne, Lorton, Laurel Hill and the greater Springfield area; reduce travel times; increase mobility options through more transfer opportunities; expand operating hours; enhance service frequencies; provide more bi-directional routes; and expand weekend service levels. In the Reston-Herndon Division, enhancements would increase service by 13,005 hours, both in peak hours and at mid-day, with primary emphasis on routes serving existing park-and-ride facilities. The plan developed by FCDOT leverages \$2,154,081 of various recurring funding to support the service enhancements for both Reston-Herndon and Huntington. This includes \$757,450 in state funding for the existing Dulles Express bus initiative, \$500,000 in bus advertising and \$896,631 in farebox revenue, rather than requiring General Fund support to meet these enhancements. To generate additional farebox revenue, it is proposed that the fare discount on FAIRFAX CONNECTOR be eliminated, bringing the cash fare to \$1.00, an increase of 25 cents over the FY 2004 cash fare of \$0.75. FCDOT is also proposing an increase in the minimum fare for a Metrorail-to-bus transfer from \$0.25 to \$0.50.

## **DID YOU KNOW?**

**54% of County residents work in the County.**

(U.S. Census Bureau, 2001 Supplementary Census Survey and 2003 American Community Survey)

## **COST OF DOING BUSINESS**

### **Employee Compensation**

#### **Non-Public Safety Adjustments**

**\$9.40 million**

Since FY 2001, pay increases for over 8,000 non-public safety employees have been based on Pay for Performance. Consistent with the County's ongoing assessment of its compensation philosophy and policy, staff undertook a review of the Pay for Performance system during FY 2004. As part of this analysis, other jurisdictions with Pay for Performance systems were surveyed for best practices. Based on this review, two changes to the system are recommended for FY 2005, both of which will better align the Pay for Performance system with the County's goals and competitive marketplace practices. The first is a recalibration of the points required to receive various pay awards and the second is the establishment of a range from 0 percent to 6 percent (0.0, 1.7, 2.1, 2.6, 3.0, 3.4, 3.9, 4.3, 4.7, 5.1, 5.6 and 6.0). This replaces the original 0 to 7 percent range (discounted by 25 percent in FY 2004), maintaining the integrity of the Pay for Performance system by allowing for meaningful differentiation based on performance, while tightening the requirements for the higher level pay awards to more closely track with pay increases in the marketplace.

Additionally, two departments were selected as pilots for a more comprehensive review of performance elements to increase clarity and strengthen the link between pay and performance. The lessons learned will be shared with the remaining departments to further enhance the overall program. Efforts will continue to update employee performance elements and assure their linkage to departmental strategic plans and performance measures. Countywide training for employees and managers will continue to be a priority, as will the expansion of options for multi-rater feedback as part of the performance management process. For FY 2005, funding of \$7.6 million is included for General Fund agencies in addition to \$1.8 million for General Fund-supported agencies for a total of \$9.4 million for Pay for Performance.

***"The County is well into the recovery for Hurricane Isabel and most of the community is getting back to its normal routine....I take great pride in how the County staff delivered needed services while under significant stress. What was particularly impressive is how well we all worked together irrespective of agency or grade level. We all were committed to doing our best for a common purpose, that being the welfare of Fairfax County....It was truly a team effort and those who were in the middle of it now understand better than ever the importance of the parts to the whole."***

**County Executive  
Anthony H. Griffin  
September 22, 2003**

# FY 2005 Budget Highlights

In order to ensure that pay scales remain competitive with the market, non-public safety pay scales are increased in accordance with the annual market index, which is calculated based on data from the Consumer Price Index; the Employment Cost Index, which includes private sector, state and local government salaries; and the Federal Wage adjustment. This is designed to keep County pay scales from falling below the marketplace, requiring a large-scale catch-up every few years. In FY 2005, the non-public safety pay scales will be adjusted 2.98 percent based on the current market index. However, it is important to note that employees do not receive this adjustment as they did in the past through a cost-of-living increase. Pay increases can only be earned through performance. By adjusting the pay scales, however, employees' long-term earning potential remains competitive with the market.

## Uniformed Public Safety Adjustments

**\$11.34 million**

Since uniformed public safety employees do not participate in the Pay for Performance program, their increases are based on the market rate adjustment and step increments. For FY 2005, funding of \$2.22 million has been included for those eligible to receive public safety merit increments. In addition, \$9.12 million, including associated Fringe Benefit increases, is included to provide a 2.98 percent market rate adjustment for approximately 3,000 uniformed public safety employees.

## Market Study Results

**\$0**

Each year, Fairfax County undertakes a market study to address issues of employee recruitment and retention, as well as ensure pay competitiveness. Certain job classes are compared against comparable positions in both the public and private sectors. This year, 51 core benchmark classes were studied (based on the occurrence of matching job classes in the Metro area and the availability of sufficient market data in the recruitment area), as well as 29 supplemental classes, which were reviewed as requested by agency directors. Based on the study findings, only 3 of the classes benchmarked were found to be 5 percent or more below the market average, requiring an adjustment. These classes include: Retirement Counselor, Consumer Specialist I and Transit Service Monitor. In accordance with the current Personnel Regulations, individuals on the "S" pay plan move to the new pay grade but remain at their current pay rate unless their pay falls below the minimum of the new pay grade. Since that is not the case for these three classes, no funding adjustment is required for FY 2005.

## Benefits

### Health Insurance Cost Increase

**\$7.77 million**

Fairfax County continues to experience the same double-digit health insurance cost increases seen nationwide. For FY 2005, health insurance premiums total \$53,430,651, an increase of \$7,770,482 or 17.0 percent over the *FY 2004 Revised Budget Plan*. This is based on projected premium increases of 21 percent for Health Maintenance Organizations (HMOs) and 25 percent for the self insurance plan for Calendar Year 2005. In contrast to the slow medical care cost growth in the early to mid-1990s, spending in recent years for health care has steadily increased. Key drivers of this growth include increased utilization and the skyrocketing cost of prescription drugs. The County has employed strategies to contain health care costs such as increasing deductibles and out-of-pocket limits, as well as added incentives for generic drugs. However, this cost increase trend is anticipated to continue into FY 2006 and beyond.

### Retiree Health Benefits

**\$0.22 million**

Monthly subsidy payments to eligible County retirees to help pay for health insurance are provided in Fund 500, Retiree Health Benefits. Beginning in FY 2004, payments were adjusted to reflect changes to the subsidy structure, which includes a change from the flat per month subsidy to a graduated subsidy based on age and length of service. No changes are recommended in the payment levels; however, the average number of subsidy recipients, including new retirees, who are eligible to receive the subsidy, is expected to increase by 149 or 7.8 percent, from 1,909 in FY 2004 to 2,058 in FY 2005. Estimates of the average number of subsidy recipients are based on a review of the projected number of retirements as well as the health subsidy eligibility of personnel already retired from the Fairfax County Employees, Uniformed, and Police Officers Retirement Systems. In FY 2005, the General Fund transfer of \$3,308,246 reflects an increase of \$219,502 or 7.1 percent over the *FY 2004 Revised Budget Plan* level of \$3,088,744.



# FY 2005 Budget Highlights

## Retirement Systems

**\$12.82 million**

For FY 2005, the County's employer contributions to the retirement systems total \$67,118,042, an increase of \$12,818,194 or 23.6 percent over the *FY 2004 Revised Budget Plan*. This increase is primarily due to the impact of increases in the Employer Contribution rates and salary adjustments necessary to support the County's compensation program, including pay for performance/merit increments, Market Index adjustments for employees on the public safety pay scales, and the regrade of specific Fire and Rescue job classes to provide for market competitiveness for a total increase of \$4.62 million. An increase of \$0.3 million in the employer contribution for the Police Officers' System is required to fund the Deferred Retirement Option Program (DROP) benefit enhancement, while an increase of \$2.8 million in the employer contribution for the Uniformed System is required to fund approved benefit enhancements including DROP, as well as the 12 percent benefit enhancement for Uniformed Retirees. In addition, the employer contribution for the Employees System is required to increase by \$5.1 million to amortize the liability associated with the funding ratio falling below the pre-defined 90 percent threshold due to lower investment returns. In March 2002, the Board of Supervisors adopted a corridor approach to employer contributions, which enhances stability and ensures adequate funding for the retirement systems. In the corridor approach, a fixed contribution rate is assigned to each system, with the County funding contributions at that rate unless the system's funding ratio falls outside of a pre-determined corridor (90-120 percent). Once outside the corridor, the County rate is either increased or decreased to accelerate or decelerate the funding until the ratio falls back within the corridor.

## Technology

### Information Technology Initiatives (General Fund Transfer)

**\$11.63 million**

In FY 2005, funding of \$11.81 million, which includes a General Fund transfer of \$11.63 million and interest income of \$0.18 million, is included for initiatives that meet one or more priorities established by the Senior Information Technology Steering Committee. This reflects an increase of \$2.18 million or 23.1 percent over the *FY 2004 Revised Budget Plan* General Fund transfer of \$9.45 million. These initiatives include a mix of projects that provide benefits for both citizens and employees, and that adequately balance continuing initiatives with the need for maintaining and strengthening the County's technology infrastructure. Funded projects will support initiatives in the Human Services, Planning and Development, General County Services and Public Safety Program areas. Although many initiatives meet more than one of the technology priorities, for narrative purposes below, projects have been grouped into only one priority area.

***Through the County's Web site, the public can pay taxes, reserve or renew a library book, report a lost pet, sign up to testify at a public hearing, check their jury duty status, schedule an inspection, print a map, sign up for recreation classes, or apply for a job, among other functions.***

### Priority

### FY 2005 Advertised Funding

Mandated Requirements	\$0.3 million
Completion of Prior Investments	\$2.0 million
Enhanced County Security	\$1.3 million
Improved Service and Efficiency	\$5.5 million
Maintaining a Current and Supportable Technology Infrastructure	<u>\$2.7 million</u>
<b>TOTAL</b>	<b>\$11.8 million</b>

## Radio Center

**\$0.48 million**

In FY 2002, based on a consultant study recommendation, work began on the design, installation and implementation of a new radio system to replace the current 1980s-era system in use by non-public safety agencies (Public Works, Park Authority, Fairfax County Public Schools transportation, Fairfax County Water Authority, FASTRAN, etc). The existing 20-year-old Public Service Communications System was based on a design that requires users to manually select the correct radio channel based on their location within the County, provides geographical coverage for only approximately 60 percent of the County, and has limited call processing

## FY 2005 Budget Highlights

capacity which frequently results in unavailability for users. The current network structure leaves large, heavily populated areas of the County without radio coverage and does not provide for future growth or for advanced features, such as mobile data communications. The new system has been designed to provide seamless coverage to more than 90 percent of the County, as well as provide ample reserve capacity for peak use periods and future fleet expansion. In addition, the completed system will be fully compatible with the mobile and portable radios used by the County's public safety radio system. This will allow for direct communication between public safety and public service users for incident or disaster management, as well as provide a separate back-up system for the Public Safety system should that system fail. The system will also enable the County to continue a high level of interoperability with neighboring jurisdictions.

The redesign of the system requires the lease/purchase of additional tower transmitter sites, the installation of network infrastructure, and the purchase of new mobile and portable radios. Based on these requirements, in FY 2005, the Radio Center operations will be modified to utilize private sector equipment maintenance support in order to address expanded technical requirements and achieve improved efficiencies. In addition, new requirements such as site leases, telecommunication costs, interoperability coordination, inspection and evaluation of in-building radio coverage for new construction, and network operation and maintenance will be addressed through a restructuring of staffing and operating activities. In FY 2005, as a result of the redesign of the Radio Center, funding of \$480,760 and the net abolishment of 7/7.0 SYE positions are included. As a result of eliminating existing activities, including administrative services and the installation/modification/repair of radios, which will be contracted out, 9/9.0 SYE positions will be abolished, with funding reductions of \$363,061 in Personnel Services and \$202,537 in Operating Expenses. To support new functions required at the redesigned Radio Center, the following positions will be established: 1/1.0 SYE Network/Telecom Analyst III and 1/1.0 SYE Network/Telecom Analyst I including \$172,562 in Personnel Services and Fringe Benefits and \$873,796 in Operating Expenses, for a net reduction of 7/7.0 SYE positions and increased funding of \$480,760. It should be noted that of the total Radio Center expenditures, approximately half will be recovered from user entities, with the remaining network and maintenance costs borne by the General Fund.

### Contract Increases

#### **Child Care Assistance and Referral Program Market Rate Increase**

**\$1.36 million**

The demand for child care services continues to grow as a result of high labor force participation in Fairfax County. In addition, many low- and moderate-income working parents in the County are unable to afford child care due to the high cost of living. To address this need, Fairfax County leverages resources with federal and state funding in order to provide child care subsidies to these eligible families. An increase of \$1,364,407 in Operating Expenses is included to support a higher state-mandated market rate for child care providers, which is estimated to reflect an increase of 5.5 percent for the providers of subsidized child care services under the Child Care Assistance and Referral (CCAR) Program. The state mandates market rates in order to ensure an adequate supply of licensed providers. It should be noted that the market rate increase will be phased in over the first quarter of FY 2005. Therefore, this funding represents nine months of funding and is partially offset by an increase of \$682,203 in federal/state pass-through funding due to the associated 50 percent revenue match for the purchase of child care services, for a net cost to the County of \$682,204.

#### **DID YOU KNOW?**

**4.5% of County residents live below the federal poverty line.**

**(U.S. Census, Department of Systems Management for Human Services)**

#### **Comprehensive Services Act – Contract Rate Increase**

**\$1.10 million**

The federally mandated Comprehensive Services Act (CSA) requires Fairfax County to serve families needing intervention and treatment for children and youth determined to be at risk for a variety of behaviors and conditions. These services include foster care, private school, special education, home-based intervention, residential services for mental health treatment, among others. For FY 2005, an increase of \$1,099,866 in Operating Expenses supports a 3.09 percent contract rate increase for the providers of mandated and non-mandated services in order to provide an appropriate cost-of-living adjustment to support their operations. This expenditure increase is partially offset by an increase of \$592,719 in state funding due to the associated state revenue match for the purchase of services, for a net cost to the County of \$507,147. Total expenditures in this program are approximately \$37.1 million to serve over 1,100 children and youth.

# FY 2005 Budget Highlights

## Other Contract Rate Increases

**\$0.42 million**

FY 2005 funding for the Department of Family Services also includes an increase of \$419,000 in Operating Expenses to support a 3.09 percent inflationary contract rate increase for the providers of mandated and non-mandated services such as Home Care Aides, Head Start, and Healthy Families Fairfax.

## CAPITAL CONSTRUCTION PROGRAM

### Capital Improvement Program Enhancements

In FY 2005, the County will continue to benefit from Capital Improvement Program (CIP) enhancements over the past few years to address the dual challenges of providing new facilities to address population growth as well as meeting the ongoing capital renewal needs of existing facilities and infrastructure. Highlights of that program include the following:

#### ***DID YOU KNOW?***

**If Fairfax County was a city, it would rank 11<sup>th</sup> in the nation with a population larger than Atlanta, Boston or Charlotte.**

### Paydown Construction Program

**\$18.85 million**

For FY 2005, a total of \$18,847,963 is included for County Paydown construction and is directed to the most critical projects. This program will be supported with a General Fund transfer of \$10,485,187 and state revenue of \$8,362,776. This amount reflects an increase of \$4,457,146 or 31.0 percent over the FY 2004 Adopted Budget Plan amount of \$14,390,817, and includes:

- **County Maintenance**

**\$1.58 million**

Funding of \$1,584,000 will continue to provide general maintenance for priority requirements at County facilities including carpet replacement; HVAC/electrical replacement; roof repairs and waterproofing; parking lot resurfacing; fire alarm system replacement; emergency generator replacement; maintenance costs associated with the Commercial Revitalization Program; and Americans with Disabilities Act (ADA) compliance at County facilities. Funding is also included for miscellaneous building repairs.

- **Parks Maintenance**

**\$1.91 million**

An amount of \$1,911,156 has been included for Park maintenance at non-revenue-supported Park facilities in order to address such items as roof repairs/replacements; electrical and lighting systems; security and fire alarm systems; sprinklers; HVAC equipment; grounds maintenance; minor routine preventive maintenance; and ongoing implementation of ADA compliance at Park facilities.

- **Athletic Field Maintenance/Lighting Match Program**

**\$3.23 million**

Funding of \$3,232,813 has been included to address athletic field maintenance including field lighting, fencing, irrigation, dugout covers, infield dirt, aeration and seeding. In addition, funding of \$200,000 is provided for upgrading athletic field lighting at selected boys baseball and girls softball fields.

- **Stormwater Management**

**\$2.74 million**

Funding in the amount of \$2,740,000 has been included for storm drainage maintenance and emergency repairs including Kingstowne environmental monitoring; dam safety inspections and improvements; annual emergency drainage repairs throughout the County; and the mandated Virginia Pollutant Discharge Elimination System (VPDES) Municipal Separate Storm Sewer System (MS4) discharge permit, which is considered a renewal of the National Pollutant Discharge Elimination System (NPDES) permit that is valid for five years.

# FY 2005 Budget Highlights

- **New or Renovated County Facilities** **\$4.14 million**  
A total of \$4,142,622 has been included for new or renovated County facilities including: \$1,000,000 for the acquisition of land or open space preservation throughout the County and \$3,142,622 to continue to address property management and development at the Laurel Hill property including continued asbestos mitigation efforts.
- **Payments and Obligations** **\$2.78 million**  
Funding in the amount of \$2,777,372 has been provided for costs associated with annual contributions and contractual obligations. This includes \$1,021,702 for the third year of a five-year lease/purchase agreement for systems furniture at the new South County Center. In addition, \$500,000 is included for the County's annual contribution to offset school operating and overhead costs associated with the new School Age Child Care (SACC) centers. Funding of \$350,000 is included to support payments to developers for interest earned on conservation bond deposits. The County requires developers to contribute funds to ensure the conservation of existing natural resources. Upon satisfactory completion of projects, the developer is refunded the deposit with interest. Finally, funding of \$905,670 is included for the County's annual contribution to the Northern Virginia Community College (NVCC) capital program, which provides for continued construction and maintenance at various capital projects on college campuses.
- **Revitalization Initiatives** **\$0.94 million**  
An amount of \$935,000 is provided for Commercial Revitalization projects to be approved by the Board of Supervisors in the context of the CIP and/or other planning discussions.
- **Other Paydown Projects** **\$1.53 million**  
Other Paydown projects supported in FY 2005 total \$1,525,000 and include safety upgrades and emergency repairs to trails and sidewalks; VDOT participation for sidewalk repair and replacement; developer defaults; annual road maintenance; continuation of the TAC (Transportation Advisory Committee) Spot Improvement Program; and the Board of Road Viewers program.

## **Bond-Funded Projects** **\$188.48 million**

In FY 2005, \$188,482,141 is included in General Obligation bond funding. Of this amount, \$130,000,000 is budgeted in Fund 390, Public School Construction; and \$19,750,000 is included in Fund 309, Metro Operations and Construction, to support the 103-mile Metrorail system, as well as maintain and/or acquire facilities, equipment, railcars and buses (including \$6.2 million in previously sold bonds). In addition, FY 2005 bond funding in the amount of \$38,732,141 includes Fairfax County's \$2,500,000 contribution to the Northern Virginia Regional Park Authority; construction costs of \$12,032,141 associated with the West Ox CONNECTOR Bus Facility; \$1,200,000 for design and permitting costs for the Wolf Trap Fire Station; and \$23,000,000 to support construction costs associated with the Public Safety Operations Center as approved by the voters in November 2002. Funding for these projects is consistent with the FY 2005-2009 Advertised Capital Improvement Program (With Future Years to 2014).

## **TAX, FEE AND FARE ADJUSTMENTS**

The following describes the Tax Relief Program, the proposed Athletic Services Application Fee, as well as fee increases in several Other Funds such as transit, solid waste and sewer service.

### **Tax Relief Program**

The FY 2005 Advertised Budget Plan includes an increase in the maximum level of assets allowed for Real Estate Tax relief eligibility from \$190,000 to the State maximum of \$240,000 as directed by the Board of Supervisors as part of the *FY 2003 Carryover Review*. This change in the Tax Relief Program is anticipated to reduce revenue by approximately \$3.9 million in FY 2005. The income limits remain at 100 percent exemption for elderly and disabled taxpayers with incomes up to \$40,000; 50 percent for eligible applicants with income between \$40,001 and \$46,000; and 25 percent if income is between \$46,001 and \$52,000.

### **TAX RELIEF FOR THE ELDERLY AND DISABLED**

	<b>Income Limit</b>	<b>Percent Relief</b>
<b>FY 2005</b>	Up to \$40,000	100%
	\$40,001 to \$46,000	50%
	\$46,001 to \$52,000	25%
	<b>Asset Limit</b>	<b>\$240,000</b>



# FY 2005 Budget Highlights

## Athletic Services Application Fee

For FY 2005, a new athletic services application fee is proposed to partially offset the cost of scheduling and coordinating community use of public athletic facilities. Estimated revenues totaling \$1,670,917 reflect the implementation of a \$3 per hour fee for community use of public athletic facilities scheduled through the Department of Community and Recreation Services' Athletic Services Division. Athletic organizations are provided facility space by the hour in accordance with their application for use of facilities and within established Fairfax County facility allocation policies. This fee, combined with existing revenue, will enable the Athletic Services Division to offset its operational costs. County staff is working extensively with the Athletic Council and athletic group coordinators to implement this proposal in FY 2005.

Two other proposals are under consideration including an organizational fee calculated based on the number of individuals enrolled in the organization. County staff will obtain feedback from the Athletic Council and athletic group coordinators regarding the proposed options and will work with them on implementation of the final proposal in FY 2005.

### ***DID YOU KNOW?***

**Fairfax County has over 30,000 acres of parkland, including bike trails, athletic fields, golf courses and lakes.**

## Transit Fare Increase

The Fairfax County Department of Transportation (FCDOT) has been under increasing pressure to expand routes and the service frequency on existing routes. This has been difficult given budget constraints of recent years. However, as part of the FY 2005 budget, FCDOT has developed a plan that provides targeted service improvements on FAIRFAX CONNECTOR with only a minimal increase in General Fund support. This requires eliminating the fare discount on FAIRFAX CONNECTOR, which brings the cash fare to \$1.00, an increase of 25 cents over the FY 2004 cash fare of \$0.75. The Smart Card program would see an increase to \$0.60. FCDOT is also proposing an increase in the minimum fare for a Metrorail-to-bus transfer from \$0.25 to \$0.50. These fare increases would generate an additional \$0.9 million to support service enhancements for both the Reston-Herndon and Huntington Divisions. While fare increases are never popular, the proposed \$1.00 base fare is still below the current Metrobus base fare of \$1.20. In addition, the ridership decrease that FCDOT anticipated when the base fare was increased from \$0.50 to \$0.75 never materialized. In fact, ridership continued to grow in FY 2004 despite this fare adjustment, evidence of the high demand for this service.

## Leaf Collection Fee Increase

The Division of Solid Waste Collection and Recycling provides for leaf collection and disposal within 30 County Refuse Collection Districts. Leaf Districts are established and abolished through a petition process approved by the Board of Supervisors. A service fee is charged to homeowners and businesses within the districts based on the cost of the service. The FY 2004 levy is \$0.01 per \$100 of assessed value and has remained at that level since FY 1996 when it was reduced from \$0.02 per \$100 of assessed value due to an accumulation of fund balance. Over the past eight years, increases in disposal costs and other operating expenses due to an increasing customer base have significantly reduced the fund balance, making it necessary to increase the levy to \$0.015 per \$100 of assessed real estate value in FY 2005. This increase will generate an additional \$691,592 over the FY 2004 estimated leaf collection levy and should more accurately match revenues with expenditures. On average, homeowners in Leaf Districts will see an annual fee increase of approximately \$20.

## Refuse Collection Fee Increase

Residents within Sanitary Refuse Collection Districts who receive County refuse collection service are charged an annual service fee for regular trash pick-up and recycling. These districts are created by the Board of Supervisors upon citizen petition. The FY 2004 fee of \$210 per unit has been at that level since FY 2000 when it was reduced from \$240 in order to draw down the unreserved fund balance. During the past four years, the increasing cost of these services has absorbed the fund balance, which has now been significantly reduced. Due to increasing disposal fees and rising personnel costs, it is necessary to increase the annual fee to \$240 per unit in FY 2005 for approximately 40,000 customers who receive this service.

## FY 2005 Budget Highlights

### Sewer Fees Increase

The FY 2005 Sewer Service Charge and Availability Fee are based on increased costs associated with capital project construction, system operation and maintenance, debt service, and upgrades to reduce nitrogen discharge from wastewater in order to meet more stringent regulations. In FY 2005, the Availability Fee charged to new customers for initial access to the system will increase from \$5,431 in FY 2004 to \$5,621 for single-family homes based on current projections of capital requirements and is consistent with the analysis included in the Forecasted Financial Statement for July 1, 2003 through June 30, 2008. The Sewer Service Charge is billed to all existing customers and is used to fully recover operating and maintenance costs, debt service payments, and capital project funding primarily attributable to improving wastewater treatment effluent standards as mandated by state and federal agencies. The Sewer Service Charge will increase from \$3.03 to \$3.20 per 1,000 gallons of water consumption in FY 2005. Based on this rate increase, the additional annual cost to the typical household is anticipated to be \$12.92.

TAX FACTS				
Type	Unit	FY 2003 Actual Rate	FY 2004 Actual Rate	FY 2005 Advertised Rate
Real Estate	\$100/Assessed Value	\$1.21	\$1.16	\$1.16
Personal Property	\$100/Assessed Value	\$4.57	\$4.57	\$4.57
Integrated Pest Management Program	\$100/Assessed Value	\$0.001	\$0.001	\$0.001
Refuse Collection	Household	\$210	\$210	\$240
Refuse Disposal	Ton	\$45	\$45	\$48
Solid Waste Landfill Ash Disposal	Ton	\$11.50	\$11.50	\$11.50
Leaf Collection	\$100/Assessed Value	\$0.01	\$0.01	\$0.015
Sewer Availability Charge	Residential	\$5,247	\$5,431	\$5,621
Sewer Service Charge	Per 1,000 Gallons	\$2.95	\$3.03	\$3.20
McLean Community Center	\$100/Assessed Value	\$0.028	\$0.028	\$0.028
Reston Community Center	\$100/Assessed Value	\$0.52	\$0.52	\$0.52

# FY 2005 Budget Highlights

## Strategic Linkages

Fairfax County has been working on a number of initiatives in recent years to strengthen decision making and infuse a more strategic approach into the way business is performed. These initiatives include developing an employee Leadership Philosophy and Vision Statement, implementing a coordinated agency strategic planning process, incorporating Performance Measurement and benchmarking into the budget process, implementing a countywide Workforce Planning initiative, redesigning the Budget Process and converting to Pay for Performance. The process has been challenging and has required a shift in organizational culture; however, the benefit of these efforts is a high-performing government in Fairfax County, which is more accountable, forward-thinking and better able to further its status as one of the premier local governments in the nation.

## COUNTY CORE PURPOSE AND VISION ELEMENTS

**To protect and enrich the quality of life for the people, neighborhoods, and diverse communities of Fairfax County by:**

- **Maintaining Safe and Caring Communities**
- **Building Livable Spaces**
- **Practicing Environmental Stewardship**
- **Connecting People and Places**
- **Creating a Culture of Engagement**
- **Maintaining Healthy Economies**
- **Corporate Stewardship**

In the spring of 2002, Fairfax County implemented a countywide strategic planning effort. Strategic planning furthers the County's commitment to high performance and strategic thinking by helping agencies to focus resources on services that are the most needed in the County. While some agencies already had strategic plans, the new process encouraged all agencies to forge a link between their individual missions and goals and the broader County vision laid out in the seven Vision Elements.

Each agency performed an agency-wide environmental scan to determine what factors influence service delivery and customer demands, identified business areas within each department to more specifically define the services provided, aligned the specific tasks performed by business areas within the departmental and vision element framework, and refined goals to meet the countywide vision elements and agency mission. The strategic planning effort involved a cross section of employees at all levels and in all areas of the organization.

## Performance Measurement

Since 1997, Fairfax County has used performance measurement to gain insight into, and make judgments about, the effectiveness and efficiency of its programs, processes and employees. While performance measures do not in and of themselves produce higher levels of effectiveness, efficiency and quality, they do provide data that can help to reallocate resources or realign strategic objectives to improve services, processes and priorities. Each Fairfax County agency decides which indicators will be used to measure progress toward strategic goals and objectives, gathers and analyzes performance measurement data, and uses the results to drive improvements in the agency.

Fairfax County also uses benchmarking, the systematic comparison of performance with other jurisdictions, in order to discover best practices that will enhance performance. The County has participated in the International City/County Management Association's (ICMA) benchmarking effort since 2000. Over 130 cities and counties provide comparable data annually in the following service areas: Police, Fire/EMS, Library, Parks and Recreation, Youth Services, Code Enforcement, Refuse Collection/Recycling, Housing, Fleet Management, Facilities, Information Technology, Human Resources, Risk Management and Purchasing. ICMA performs extensive data cleaning to ensure the greatest accuracy and comparability of data. In service areas that are not covered by ICMA's effort, agencies rely on various sources of comparative data prepared by the state, professional associations and/or nonprofit/research organizations.

# FY 2005 Budget Highlights

## Budget Process Redesign

In line with the County Executive's approach to linking all agency strategic plans with the County's Core Purpose and Vision Elements, the Budget Process Redesign Team implemented improvements that will strengthen this linkage to the annual budget document. These changes will enhance future resource allocation decisions as well as enable Fairfax County to more clearly demonstrate accountability for achieving results. The FY 2005 budget presentation includes the County's first steps to link the comprehensive strategic initiatives into the budget documents. To achieve these links, agency budget narratives now include discussions of Countywide Vision Elements and agency strategic planning efforts; program area summaries have been expanded to include cross-cutting efforts and benchmarking data; and a Key County Indicator presentation was developed to show how the County is performing as a whole. As a result, the budget information is presented in a more user-friendly format and resource decisions are more clearly articulated to Fairfax County citizens.

## Workforce Planning

The County's workforce planning effort began in 2001 to anticipate and integrate the human resources response to agency strategic objectives. Changes in agency priorities such as the opening of a new facility, increased demand for services by the public, the receipt of grant funding, or budget reductions can greatly affect personnel needs. Given these varying situations, workforce planning helps agency leadership to retain employees and improve employee skill sets needed to accomplish the strategic objectives of the agency. Effective workforce planning is a necessary component of an organization's strategic plan, to provide a flexible and proficient workforce able to adapt to the changing needs of the organization.

***"This budget itself is testimony to the countless hours of strategic thinking that has taken place and the efforts of many to reorient the budget toward a document that more accurately reflects our priorities as a community. As I noted previously, this is the first step of many on our path toward more strategic allocation of scarce resources to ensure that the services we provide are in line with community expectations. It is my hope that this will lay the groundwork for an ongoing dialogue about the County's direction for the future and how we will finance it."***

County Executive  
Anthony H. Griffin

## Financial Forecast

The Financial Forecast for FY 2006 reflects a deficit of approximately \$6.51 million. In accordance with the Board's Budget Guidelines, the increases in County expenditures and the transfer to the Schools have been limited to match the revenue growth which is anticipated to be 5.82 percent in FY 2006. As a result, County and School spending levels will need to be constrained to fit within the scope of this projected revenue growth. This will again make it extremely difficult to accommodate the necessary cost increases associated with inflation, population growth, state and federal mandates, and other factors. County staff will be working to continue to identify cost savings and other redesign opportunities that may be possible to offset some of this deficit. However, the County will be challenged to fit its many service requirements within the scope of available resources. Details of the FY 2006 and FY 2007 Forecast can be found in the Financial Forecast section of the Overview volume.

## Fairfax County Economic Index

The *Fairfax County Economic Index*, developed by economist Dr. Stephen Fuller of George Mason University, provides current information by which the performance of Fairfax County's economy can be evaluated. The *Index* provides a framework for analyzing the County's economy by tracking the strength of current conditions using the Coincident Index, and by forecasting future changes in the economy using the Leading Index. The *Fairfax County Economic Index*, which is published monthly, is available on the Department of Management and Budget's website at: <http://www.fairfaxcounty.gov/dmb>.



# Fairfax County Core Purpose and Vision Elements

To protect and enrich the quality of life for the people, neighborhoods, and diverse communities of Fairfax County by:



## Maintaining Safe and Caring Communities

The needs of a diverse and growing community are met through innovative public and private services, community partnerships and volunteer opportunities. As a result, residents feel safe and secure, capable of accessing the range of services and opportunities they need, and are willing and able to give back to their community.



## Building Livable Spaces

Together, we encourage distinctive “built environments” that create a sense of place, reflect the character, history, and natural environment of the community, and take a variety of forms – from identifiable neighborhoods, to main streets, to town centers. As a result, people throughout the community feel they have unique and desirable places to live, work, shop, play, and connect with others.



## Connecting People and Places

Transportation, technology, and information effectively and efficiently connect people and ideas. As a result, people feel a part of their community and have the ability to access places and resources in a timely, safe, and convenient manner.



## Maintaining Healthy Economies

Investments in the work force, jobs, and community infrastructure and institutions support a diverse and thriving economy. As a result, individuals are able to meet their needs and have the opportunity to grow and develop their talent and income according to their potential.



## Practicing Environmental Stewardship

Local government, industry, and residents seek ways to use all resources wisely and to protect and enhance the County’s natural environment and open space. As a result, residents feel good about their quality of life and embrace environmental stewardship as a personal and shared responsibility.



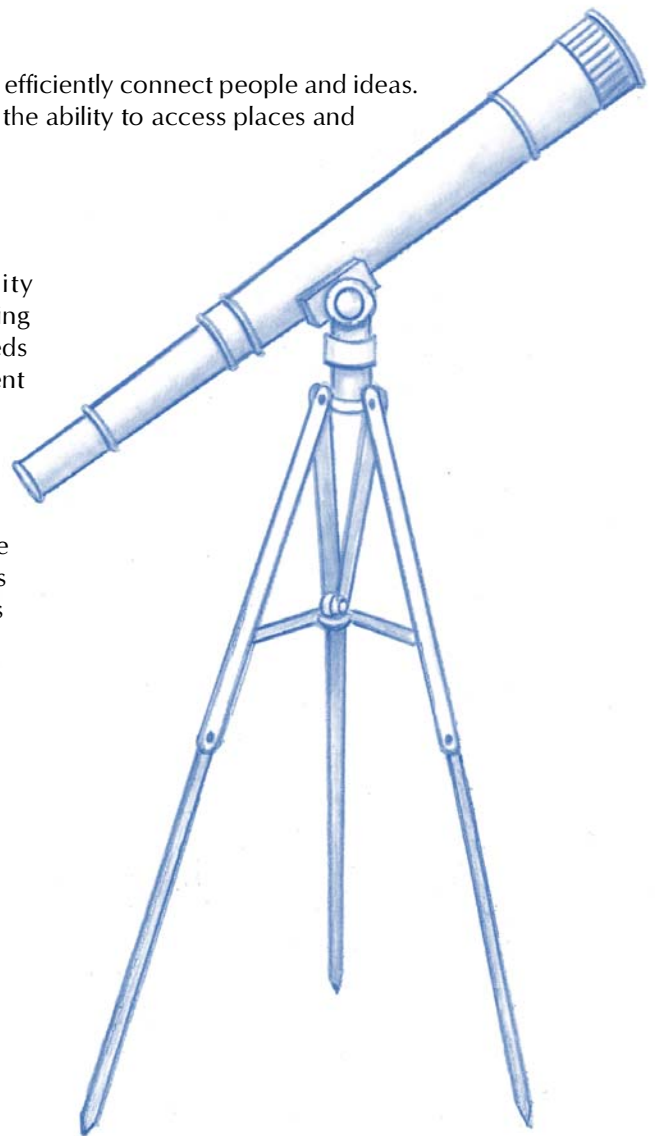
## Creating a Culture of Engagement

Individuals enhance community life by participating in and supporting civic groups, discussion groups, public-private partnerships, and other activities that seek to understand and address community needs and opportunities. As a result, residents feel that they can make a difference and work in partnership with others to understand and address pressing public issues.



## Corporate Stewardship

Fairfax County government is accessible, responsible, and accountable. As a result, actions are responsive, providing superior customer service and reflecting sound management of County resources and assets.

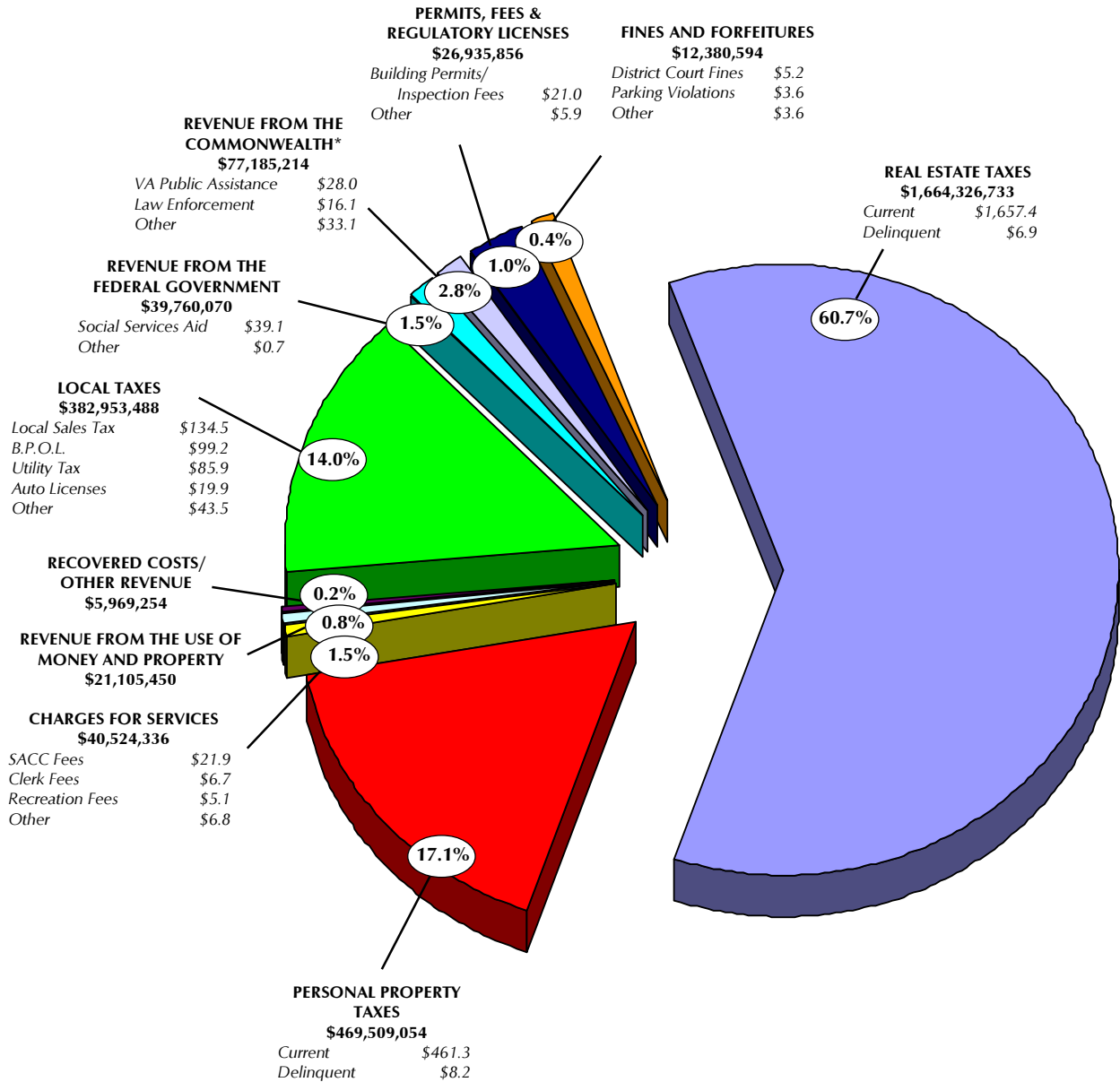


# The Budget at a Glance

## FY 2005 GENERAL FUND RECEIPTS

Where it comes from . . .

(subcategories in millions)



**FY 2005 GENERAL FUND RECEIPTS = \$2,740,650,049**

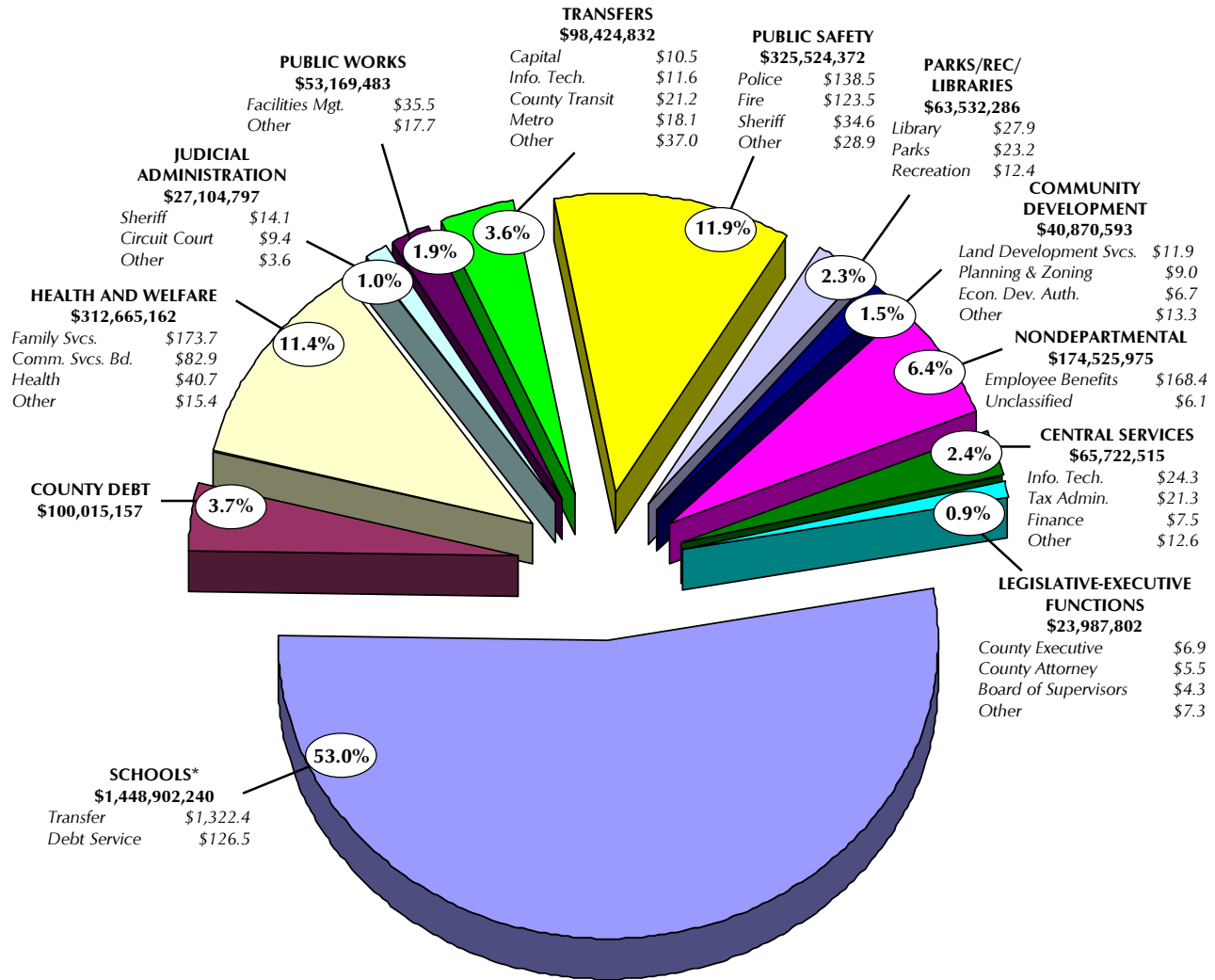
\* For presentation purposes, Personal Property Taxes of \$205,950,438 that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 are included in the Personal Property Taxes category.

\*\* Total County resources include the receipts shown here, as well as a beginning balance and transfers in from other funds.

# The Budget at a Glance

## FY 2005 GENERAL FUND DISBURSEMENTS

Where it goes . . .  
(subcategories in millions)



**FY 2005 GENERAL FUND DISBURSEMENTS = \$2,734,445,214**

\* In accordance with the Board adopted guidelines for the FY 2005 Budget, the proposed County General Fund transfer for school operations in FY 2005 totals \$1,322,374,187 an increase of \$81,523,866 or 6.57% over the FY 2004 Revised Budget Plan transfer. It should be noted that the actual transfer request approved by the School Board on February 12, 2004 is \$1,361,212,802 an increase of \$120,362,481 or 9.7% over the FY 2004 transfer level. In order to fully fund this \$38,838,615 increase over the Budget Guidelines, additional resources would need to be considered by the Board of Supervisors.

## FY 2005 Advertised Budget Plan: Public Hearings

Public Hearings on the FY 2005 Advertised Budget Plan, and the FY 2005 - FY 2009 Capital Improvement Program (With Future Years to 2014) will be held in the Board Room of the Fairfax County Government Center on the following dates and times:

<i><u>Date</u></i>	<i><u>Time</u></i>
March 29, 2004	7:30 PM
March 30, 2004	7:30 PM
March 31, 2004	7:30 PM

To sign up to speak at one of the public hearings, call the Clerk to the Board's Office at 703-324-3151 or (TTY) 703-324-3903 or sign-up online by e-mailing: [clerktothebos@fairfaxcounty.gov](mailto:clerktothebos@fairfaxcounty.gov).

### **THE FY 2005 ADVERTISED BUDGET PLAN IS AVAILABLE:**

**On the World Wide Web at:** <http://www.fairfaxcounty.gov/dmb>

**At Your Local Fairfax County Public Library:**

Reference copies of all budget volumes are available at all Fairfax County Public Libraries.

**On CD-ROM:** The Budget is also available on CD. Copies of all budget volumes and the CD version are available from Publication Sales at no cost. Inventories of the printed version are limited, so please call in advance to confirm availability. Contact:

***Publication Sales***  
12000 Government Center Parkway  
Suite 156  
Fairfax, Virginia 22035  
703-324-2974

**Fairfax County is committed to complying with the Americans with Disabilities Act (ADA).  
Special accommodations will be made upon request. Virginia Relay available at 711.**